

BOARD OF ASSESSORS

VILLAGE OF ARDEN

JANUARY 30, 2007

The first regular meeting of the Board of Assessors was called to order at 7:40 by the chair, Brooke Bovard, and all assessors were present.

PRESENT: Brooke Bovard, Walter Borders, Alton Dahl, Mary Marconi, Denis O'Regan, Charles Robinson, and Larry Walker

ABSENT: None

1] The minutes from the organizational meeting of December 11, 2006, were approved as written and previously circulated.

2] Larry Walker had obtained a "green book" from Carl Falco and was attempting to obtain one from Tom Wheeler to insure that each assessor possessed a copy.

3] The bulk of the meeting was devoted to a discussion of factors (woods factors of +10% [adjacent] or 5% [fronting]; communal greens factor [adjacent or fronting] of +5%; Harvey and/or Marsh Roads [adjacent] factor of -5%; Harvey and/or Marsh Roads [driveway access only] factor of -5%). Each assessor offered a statement that prompted discussion during and between statements. The statements were as follows:

Mary Marconi observed that the current factors, while not providing a perfect system, made sense, and she could not offer at this time any alternate system for the current factors.

Larry Walker seconded Mary Marconi's remarks and observed that he was in favor of the factors as presently constituted.

Charles Robinson likewise expressed approval of the current factors but did suggest that they might be applied to county tax bill portion of the land rent rather than to the total land rent.

Alton Dahl reflected on the history of the factors, tied them to the desirability of a leasehold, and judged they should be retained in their current form.

Denis O'Regan explained that he at times favored a flat rate rather than a percentage for factors, but also noted that the percentage factor made more sense for the negative factors. He also expressed concern about future county/school tax increases.

Walter Borders noted that factors were a good signifier of property values but added that a fairer system would be to apply the factors to the A Rate rather than to the combined

total for all of the rates. He added that the A Rate should consist of only the land based taxes and not the flat fees from the Community Standard of Living.

Brooke Bovard noted that any future increases in the county/school taxes would be difficult to determine; and she also asked whether the increased land rent resulting from factors would actually affect the future sale price of a leasehold.

The discussion on factors focused on their history, their purpose, and their effects. One recurring point of discussion was, given the increasing taxes to be passed on by the county, whether or not a cap might be proposed for the positive factors. It was suggested that applying the factors to the A Rate might have the effect of a cap--or at least make uniform the dollar amount of the factors as they were applied to the A Rate paid by the leaseholders who were affected by the factors. Walter Borders will take last year's spreadsheet for all properties and determine the effects on leaseholders if the factors were applied "downstream" only to the A Rate amount rather than "upstream" to the subtotal of all the rates.

Alton Dahl observed that at one time the factors were applied only to the C Rate, but that practice was not continued. All of the assessors recognized that the factors were necessary to the land rent formula and that they approximated or at least attempted to reflect the value of a leasehold in the commercial real estate marketplace.

Brooke Bovard asked the assessors to prepare for a discussion of the rates at the next meeting, scheduled for February 27, 2007. Points for discussion would include: rates for non-domiciles; possible modification of the 6500 square feet provision in the A Rate; separating the dollar amounts for the community standard of living (and possibly for the prudent reserve) from one or more or all of the current rates; replacing the current A and B and C and D Rates with another method for the land rent formula.

The meeting was adjourned at 9:10.

Respectfully submitted,

Charles E. Robinson, Secretary for the January meeting